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STATE OF THE UNION “PREBUTTAL”
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Thank you, Senator Daschle for your strong statement, and most importantly your strong leadership on behalf of the American people. It is an honor to be here with you at the National Press Club to speak about the Democrats’ view of the state of our union.

I join Senator Daschle in recognizing the spirit of patriotism, common purpose, and shared sacrifice that is so strong in our country. As leaders, we have the responsibility to protect the American people and provide opportunities for them. As you so forcefully stated, now is a crucial time in our nation’s history.

The threat of war, terrorism, and recession are combining to make Americans less sure about their future and less certain about the course our nation is taking. That is why I hope that in his State of the Union Address tomorrow night, President Bush will present a message of hope and relevance to all Americans.

I also hope that the budget the President will submit one week from today will match the rhetoric he will deliver tomorrow night.

Otherwise, the credibility gap that Senator Daschle spoke of will grow even larger.

For the millions of Americans who do not have a job, or do not have health insurance, or have seen their retirement savings disappear, their state of the union is anxious.

They do not just want to hear lofty rhetoric from the President. They want jobs. They want real solutions to our pressing challenges, and a real strategy to make our economy stronger and our nation more secure.

Security doesn’t just mean national security or homeland security – it also means economic security.

Last year, President Bush told the nation in his State of the Union address that his economic plan could be summarized in a single word...jobs. Unfortunately, his record could be summed up in one phrase...loss of jobs.

Since President Bush took office two years ago, a total of 2.3 million private-sector jobs have been lost -- the worst record of job creation for any President since the end of World War II. There are now 8.6 million unemployed Americans. The unemployment rate is at 6 percent, an eight-year high.

People are hurting and families are struggling. With Americans out of work, children are suffering. We must create jobs now.

Democrats are united behind economic stimulus plans that will create at least 1 million new jobs this year, put money and purchasing power in the hands of consumers, and provide relief to laid-off workers. The plans will begin working immediately, and will rebuild the economic strength of our nation.

For two years, the President has had numerous opportunities to put this economy back on track. But the Administration has chosen to reject every single economic option but one...tax cuts for the wealthy.

For two years, America has given the President the benefit of the doubt on his economic plan. Today, the American people have seen very few benefits, and have a lot more doubt.

Now, after two years, in addition to record job loss, we have the lowest rate of business investment in 50 years, middle class incomes are down for the first time in 10 years, and we have the highest poverty rate in eight years.

With this score at halftime, the President changed his economic team, but not his economic game plan.

President Bush wants more tax cuts for the wealthy, and has proposed to add nearly a trillion dollars to the national debt, when you include interest, with a 10-year, \$674 billion tax plan.

The centerpiece of the plan is a proposal to eliminate the tax on corporate dividends. This will not stimulate the economy and will not even help most Americans, since a majority do not receive dividends.

Overwhelmingly, the top five percent of Americans benefit -- which is why, as the Center for Policy Studies proved, a person earning more than \$1 million a year will receive a tax break of about \$90,000 per year.

Yet, at the same time, as the Center for Budget and Policy Priorities has calculated, under the President's plan, about 50 percent of all Americans would receive less than \$100.

Tomorrow night, we will hear the President say that the average amount Americans will receive about \$1,000 under his plan. How does the White House arrive at that number?

Easy. It groups the wealthiest Americans who will receive huge tax cuts with middle-class families who will receive next to nothing, making the “average” benefit higher.

The tax cut will do little for Americans with modest incomes, such as Frank Greene of New Jersey, who testified at a hearing on the economy last week. Frank has to work two jobs to make ends meet.

Under the President’s plan, he will get \$50, less than one dollar a week.

Frank was absolutely right when he said... “I think the federal government should send more money out to working class individuals – who need the money and would use it to pay for everyday expenses.”

But the President refuses to do that. For that reason, I agree with those who have written that the President’s tax plan is a “Joe Millionaire Tax Plan.” It romances middle-class Americans with the promise of big bucks, but in the end, the surprise is...they get pennies.

Of course, our friends on the other side of the aisle love to cry class warfare. Let me be clear...Democrats are not opposed to a plan that benefits all Americans, including the wealthy. But our first objective must be to benefit the economy.

We need a tax cut that puts money in the pockets of people who need it more and will spend it now – to pay the rent, to put food on the table, or to shop at a retailer who has suffered through this recession.

Stimulus is the key principle of the Democrats’ plan. The tax cuts we favor would provide an immediate boost to the economy.

They would be targeted to low and middle-income earners and to small businesses, which are the job creating engines of our economy. And our tax cuts would be fiscally responsible.

The Democrats are united in putting tens of billions of dollars in direct aid to cash-strapped states and local governments. This critical funding will help pay for homeland defense, to gear up first responders, such as police and firefighters, and to strengthen security at airports and seaports.

Tomorrow night, the President needs to be clear as to why -- at a time when our state governments face the worst fiscal crisis in 45 years -- his proposal doesn’t provide meaningful direct assistance to the states.

In truth, the President’s plan has forgotten state and local communities. We must insist that the budget the President submits next week does not forget them again.

Most importantly, the American people deserve to hear why the President believes that massive new tax breaks for wealthiest Americans are more important than funding urgent needs on job creation, homeland security, education, and health care.

The Administration says that the reason we cannot afford \$1.5 billion in homeland security funding – which the Congress passed into law but the President refuses to spend – is that we are constrained by a wartime budget.

And yet, the President says there is enough money in the wartime budget to create a huge tax cut that benefits the wealthiest in our country. The credibility gap widens.

The elimination of the tax on dividends would cost about \$250 billion in the life of the proposal. That's a quarter of a trillion dollars. How can we can afford that, but not afford \$1.5 billion for our law enforcement officers to provide for our homeland security?

There's something very wrong with the Republican priorities.

As Democrats, our priorities are the safety and soundness of the American people. We must keep our homeland safe, and our economy sound. And we will fight to invest in education, to provide access to quality health care for all Americans, and to protect our cherished environment.

Two years ago, one of the most prominent parts of the President's State of the Union Address was the Leave No Child Behind Act to strengthen our schools. The President said he would see to it that schools received the funding they needed to leave no child behind.

But in the budget he submitted last year, the President left millions of children behind by underfunding the Act by more than \$7 billion.

We will be watching next week when the President submits his new budget to see if he lives up to his promise to provide the resources needed to improve our schools.

Democrats are united in fighting for full funding of the Leave No Child Behind Act to ensure that our children receive the education they deserve.

Now we're told that tomorrow night, the President is going to propose a new prescription drug plan for seniors. But if news reports are accurate, then the President's proposal is a benefit for HMOs, not for seniors. It essentially will force seniors out of traditional Medicare and into private HMOs if they want to obtain prescription drug coverage.

Democrats have a clear alternative...a meaningful prescription drug benefit guaranteed under Medicare.

For the \$674 billion the President wants to spend on tax cuts for the wealthy, we could afford to provide prescription drug coverage for all of America's seniors for the next 10 years.

What a remarkable difference between Republican and Democratic priorities.

Over and over again, the President's rhetoric is a far cry from reality. We hear the Administration's appealing promises on critical issues. But rarely do they translate into making life better for everyday Americans. Instead, the President's policies continue to serve the wealthy special interests.

Take the environment. President Bush talks about protecting our air and water – and will surely stress the importance of a clean environment tomorrow night. But at the same time, his Administration is working to undermine clean air and clean water regulations, giving a free hand to corporate polluters.

Almost every week, with little fanfare, the Bush Administration releases yet another government measure designed to weaken the Clean Air Act, the Clean Water Act, and other pillars of environmental protection in our country. Ever so quietly, but ever so quickly, the President is rolling back more than 30 years of environmental progress.

Democrats are united in fighting to preserve our natural resources for generations to come. We want to be sure our children have pure water to drink, clean air to breathe, and food that is safe to eat.

Like all Americans, Leader Daschle and I look forward to the President's State of the Union Address tomorrow night with great anticipation and with great hope.

At this time of uncertainty – with the threat of war, terrorism, and recession – the President must give us a message of hope grounded in reality, not of false hope cloaked in rhetoric.

The State of the Union will be judged not just by the uplifting words the President uses tomorrow, but by the reality of the budget he submits next week. It is that document that must state our national priorities and values.

In the end, the most important judge of the State of the Union is not the President, not the Congress, and not political commentators.

It is the American people who matter. It is the state of their families, their homes and their communities that will decide what the State of our Union is.

Thank you. And God bless the American people.